Champion Minerals Inc.
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Champion Minerals Inc. (the "Company") for the year ended March 31, 2012 and should be read in conjunction with the annual audited consolidated financial statements and the accompanying notes. The MD&A is the responsibility of management and is dated as of June 29, 2012.

All dollar amounts are stated in Canadian dollars unless otherwise indicated. Additional information relating to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.

Forward-Looking Statements
This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans", "will", "could" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

The Company
The Company is a Canadian-based iron ore exploration and development company with properties located in the heart of Canada's premier iron ore mining district, the Labrador Trough. The Company is one of the largest landholders of highly prospective iron ore properties located southwest of Fermont, Quebec and northeast of Schefferville, Quebec.

The Company is a reporting issuer in Ontario, Alberta and British Columbia and its common shares are listed for trading on the Toronto Stock Exchange under the symbol CHM and on the Frankfurt Stock Exchange under the symbol P02 (WKN – A0LF1C).

Overall Performance

Fermont Property Holdings

The Company owns a 100% interest in 17 properties (each a "Property") covering 710 square kilometres (collectively, the "Fermont Holdings") located in the Fermont Iron Ore District of northeastern Quebec, which is 250 km north of the St. Lawrence River port town of Port-Cartier ranging form 6 to 80 kilometres southwest of Fermont.

The Fermont Holdings are subject to a 3% net smelter return royalty ("NSR") payable to the two vendors on a 50/50 basis, of which the Company has the option to purchase a 0.5% interest from one of the vendors for $1,500,000, which would reduce the NSR to 2.5%.

On May 17, 2012, the Company acquired the remaining 17.5% joint venture interest in the Fermont Holdings from Fancamp Exploration Ltd. ("Fancamp"). As a result of the acquisition, the Company now owns a 100% interest in the Fermont Holdings and the joint venture between the Company and Fancamp has been terminated. The Company continues to retain its right of refusal over Fancamp's interest in the Lamellee Property and Fancamp continues to retain its 50% interest in the NSR. The Company retains the right of first refusal on the sale of the NSR and the option to purchase 0.5% of the NSR for $1,500,000 from the holder of the 50% interest in the NSR not owned by Fancamp.

a) As consideration for the acquisition, the Company issued 14,000,000 common shares with a fair value of $18,340,000 and 7,000,000 common share purchase warrants entitling the holder to purchase one common share for $3.00 between November 17, 2014 and May 17, 2015 ("Champion Warrants"). If the weighted-average closing price of Champion's common shares is over $4.00 per share for 20 consecutive trading days, the Champion Warrants must be exercised within 30 calendar days of the Company providing written notice, or they will be cancelled. In the event that Fancamp provides notice within 10 days of the receipt of the Company's notice that it does not have sufficient funds to exercise the Champion Warrants, the Company will advance a loan to Fancamp to enable Fancamp to exercise the Champion Warrants. The loan will have the following terms and conditions:

Interest	Prime rate charged by the Company's bank, calculated and compounded annually, payable by way of set off upon the commencement of payment of Fancamp's 50% interest in the NSR.
Security	Assignment of the Fancamp's 50% interest in the NSR and the common shares of the Company issued pursuant to the exercise of the Champion Warrants.
Repayment	Payable by way of set off upon the commencement of payment of Fancamp's 50% interest in the NSR. To the extent that the Company exercises the Fancamp Warrants (as defined below), the exercise price payable by the Company will be settled by way of set off against the loan. To the extent that the loan has not been repaid within 15 years from the date of granting of the loan, the common shares of the Company assigned by Fancamp as security for the loan shall be forfeited by Fancamp to the Company.

In the event that Fancamp is not able to obtain shareholder approval for a change in control in the event that the Company exercises the Fancamp Warrants, Fancamp has agreed that it will only exercise Champion Warrants equal to the number of Fancamp Warrants exercisable by the Company divided by 5.

b) The Company granted a waiver to of its option to purchase a 0.5% of the Fancamp's 50% interest in the NSR. As consideration for the waiver, Fancamp made a payment of $2,000,000 to the Company, which the Company used to acquire 8,000,000 common shares of Fancamp for $0.25 per share.

c) The Company acquired 10,000,000 units of Fancamp for $0.30 per unit for cash of $3,000,000. Each unit consisted of one common share and one non-transferable common share purchase warrant entitling the Company to purchase one common share for $0.60 between November 17, 2014 and May 17, 2015 ("Fancamp Warrants"). As a result of regulatory requirements, subject to the approval of the shareholders of Fancamp, the Company has agreed not to exercise Fancamp Warrants to the extent that the exercise would result in a change of control of Fancamp. If the weighted-average closing price of the common shares of Fancamp is over $0.80 per share for 20 consecutive trading days, the Fancamp Warrants must be exercised to the extent that the exercise would not result in a change of control of Fancamp within 30 calendar days of the Fancamp providing written notice, or those Fancamp warrants will be cancelled.

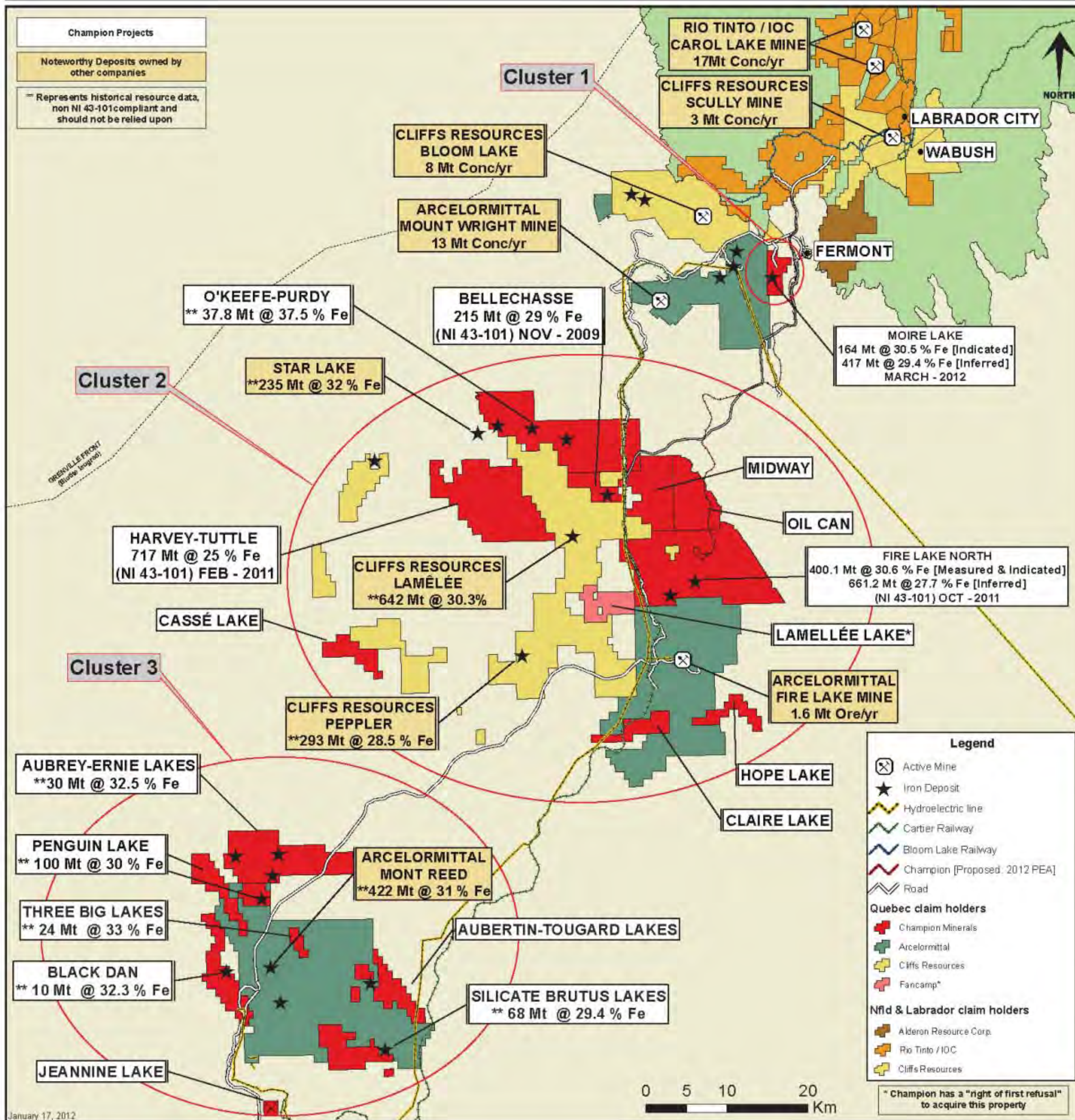
The Company and Fancamp have entered into a reciprocal rights agreement governing certain investor rights and obligations as between them. The Company and Fancamp will each be restricted from transferring securities of the other for a period of six years, after which time transfers will be permitted subject to certain restrictions.

The 17 Properties comprising the Fermont Holdings are grouped into three clusters from north to south, termed Clusters 1, 2 and 3, as outlined in the following map:

CHAMPION MINERALS INC.

CHAMPION

FERMONT HOLDINGS



The Fermont Holdings are located in proximity to and locally contiguous to an operating iron mine and a number of former operating iron mines and projects currently being developed for iron mining.

The following table sets out the current NI 43-101 compliant Measured, Indicated and Inferred Mineral Resources for each of the 17 Properties:

			Measured Resources		Indicated Resources		Inferred Mineral Resources[1]	
Property	**Cluster**	**Cutoff grade (%)**	**Tonnes (millions)**	**Grade (% Iron)**	**Tonnes (millions)**	**Grade (% Iron)**	**Tonnes (millions)**	**Grade (% Iron)**
Moire Lake	1	15	-	-	164.0	30.5	417.1	29.4
Fire Lake North	2	15	8.4	35.0	391.7	30.5	661.2	27.7
Bellechasse	2	15	-	-	-	-	215	27.8
Harvey-Tuttle	2	15	-	-	-	-	947	23.2
O'Keefe-Purdy	2		-	-	-	-	-	-
Midway Southeast	2		-	-	-	-	-	-
Oil Can Lake	2		-	-	-	-	-	-
Hope Lake	2		-	-	-	-	-	-
Cassé Lake	2		-	-		-	-	-
Claire Lake	2		-	-		-	-	-
Audrey-Ernie	3		-	-	-	-	-	-
Three Big Lakes	3		-	-	-	-	-	-
Aubertin-Tougard Lakes	3		-	-	-	-	-	-
Jeannine Lake	3		-	-	-	-	-	-
Silicate-Brutus Lakes	3		-	-	-	-	-	-
Penguin	3		-	-	-	-	-	-
Black Dan	3		-	-	-	-	-	-
			8.4	35.0	555.7	30.5	2240.3	26.1

Notes:
1. Inferred Resources are part of a National Instrument 43-101 ("NI 43-101") Mineral Resource Estimate for which the estimated quantity and grade of a deposit, or a part thereof, that is determined on the basis of limited sampling, but for which there is sufficient geological information and a reasonable understanding of the continuity and distribution of metal values to outline a deposit of potential economic merit. There is no guarantee that further exploration will upgrade the Inferred Resources to Indicated and/or Measured Resources. Mineralized Material is not recognized Mineral Resources categories and there is no guarantee that any future exploration will ever convert any of this material to compliant NI 43-101 Mineral Resources.
2. From Paquet, 1963 (*Ministère des ressources naturelles et de la faune Québec* Assessment File GM 13035).

Copies of the NI 43-101 Mineral Resource Estimate reports for Fire Lake North, Moire Lake, Bellechasse and Harvey-Tuttle are available under the Company's filings on SEDAR at www.sedar.com.

Cluster 1

Moire Lake (NI 43-101 Indicated Mineral Resource 164.0 million tonnes: grade 30.5% Total Iron / Inferred Mineral Resource of 417.1 million tonnes; grade 29.4% Total Iron / All categories are at a 15% cutoff grade)

Moire Lake is located 4 kilometres southwest of Fermont and adjoins the eastern boundary of the Mont Wright mine and concentrator operations owned by ArcelorMittal and is 8 kms south of existing railway and other infrastructure.

On March 29, 2012, Champion announced the results of an NI 43-101 Mineral Resource Estimate completed on its Moire Lake Project, based on the results from 21 diamond drill holes completed by the Company in 2011. Using a 15% cutoff grade, the current Mineral Resource Estimate calculated 164.0 million tonnes grading 30.5% Total Iron in the Indicated category with 417.1 million tonnes grading 29.4% Total Iron in the Inferred category. Geological and geophysical evidence indicates that the mineralization continues westward onto ArcelorMittal's Mont Wright property.

Significantly, results of the In-Pit Optimization demonstrate that nearly 100% of the Moire Lake Mineral Resources might be potentially economically exploited. The global Mineral Resource Estimate and In-pit Optimized Mineral Resource Estimate presented above respectively, include Mineral Resources only within the limits of the Moire Lake property. The Optimized Pit Shell that was generated, however, extends beyond the current western Moire Lake property boundary and includes only overburden and waste rock in this extension.

For comparison purposes, a second In-Pit Optimization was completed constraining not only the resources but the limits of the entire Pit Shell to within the limits of the Moire Lake property. This Optimization indicates that a portion of the resource would likely not be exploited if the pit shell is constrained to the Moire Lake property limits. The High Grade Zone resource, using a 15% cutoff would be reduced from the 164 million tonnes Indicated and 417 million tonnes Inferred to 128 million tonnes Indicated and 305 million tonnes Inferred, respectively.

Of note, the Company did not complete any drilling in 2011 on the 4 kilometre, "Northeast Trend" magnetic anomaly underlying the eastern part of the Moire Lake Project. Outcrops of specular hematite-rich iron formation in exposures up to 40 m across were identified along the Northeast Trend and provide a significant exploration target to potentially delineate additional iron resources.

The Company expects to follow-up the Mineral Resource Estimate with a Preliminary Economic Assessment ("PEA") study.

Cluster 2

Several of the Cluster 2 properties – principally, Fire Lake North, Bellechasse, Midway and Oil Can – are within a reasonable distance to the Fire Lake North Project to enable potential development of satellite resources that might be conveyed to a centralized production complex developed at Fire Lake North. It is for this reason that the Company remains dedicated to exploring the Cluster 2 properties in order to identify which of them have the potential for coarse-grained specular-hematite mineralization and prioritize the delineation of these more valued resources for sinter feed. The Company will continue to further delineate the magnetite-rich resources at other Cluster 2 projects for potential development as sinter/pellet feed source.

Fire Lake North (NI 43-101 Measured Mineral Resource of 8.4 million tonnes: grade 35.0% Total Iron / Indicated Mineral Resource 391.7 million tonnes: grade 30.5% Total Iron / Inferred Mineral Resource of 661.2 million tonnes; grade 27.7% Total Iron / All categories are at a 15% cutoff grade)

Fire Lake North is located adjacent (to the north) of ArcelorMittal's operating Fire Lake Mine and is 60 km to the south of Cliffs Natural Resources Inc.'s ("Cliffs") Bloom Lake Mine in northeastern Quebec. Fire Lake North is situated at the southern end of the Labrador Trough, known to be coarser grained due to higher grade metamorphism within the Grenville geological province. The Fermont-Wabush-Labrador City Iron Ore District is a world-renowned iron ore mining camp and is considered to be an optimal location to develop iron ore resource projects.

An Update of the Preliminary Economic Assessment with an effective date of November 21, 2011 ("PEA") concluded that Fire Lake North has an internal rate of return of 41.5%; net present value of $4 billion at a cash flow discount rate of 8% and a payback period of 2.3 years. Concentrator production would average 8.7 million tonnes of concentrate per year ("Mtpa") grading 65% iron for the first 25 of the 40-year mine life; however, the first five years of the financial model will average nearly 10 Mtpa of concentrate production. A copy of the Technical Report on the PEA prepared in accordance with NI 43-101 is available under the Company's filings at SEDAR at www.sedar.com (March 1, 2012). The PEA study has an accuracy of **+/**-30%, which is considered industry standard for preliminary capital and operating cost estimates.

The financial analysis in the PEA study used a price of $115 per tonne of iron concentrate ($/tonne is FOB Sept-Iles) and a mine life of 40 years; the capital payback period is 2.3 years. Table 1 provides the Net Present Values calculated at various discounted cash flow rates for the Base Case production scenario.

Table 1: Fire Lake North – Preliminary Economic Assessment Results (Pre-Tax)		
Internal Rate of Return (IRR) (8% Discount Rate)	41.5	%
Undiscounted Cash Flow	10.9	$ billion
Net Present Value @ 5% Discounted Cash Flow	5.6	$ billion
Net Present Value @ 8% Discounted Cash Flow	4.0	$ billion
Net Present Value @ 10% Discounted Cash Flow	3.2	$ billion
Payback Period (8% Discount Rate)	2.3	Years

Excluding the contingency, the cost of rail and port infrastructure totals $325.6 million, as itemized in Table 2. The cost to develop the mine and concentrator complex totals $841.7 million, which equates to $97 per tonne of the 8.7 million tonnes of annualized production of iron concentrate, a typical rate for mines in the Fermont Iron Ore District.

Capital expenditures total $1,368 million for 100% of the project with the cost of rail and port infrastructure included. This PEA study assumes the usage of the Sept-Iles multi-user port facility project that is planned for completion by the federal government in Q1/Q2 2014.

Table 2: Capital Expenditures ($ millions)	
Cost Centers	$ millions
Pre-stripping of open pit areas	97.5
Concentrator and site infrastructure including loadout facilities	682.3
Railway (62km distance and 94km total including turnaround loop and sidings)	228.8
Port Facilities: Railcar unloading, stacker/reclaimer, conveyors	96.8
Environmental and Tailings Management	27.9
Other Pre-Production Costs	34.0
Sub Total	1,167
Contingency	201
Grand Total (100% of the project)	1,368

The designed "In Pit" resources at an 8% Total Iron cut-off are 921.8 million tonnes grading 28.8% Total Iron. At a 15% cut-off grade, these resources decrease slightly to 908.5 million tonnes, grading 29.1% Total Iron whereas they amount to 833 million tonnes grading 30.1% Total Iron at a 20% cut off. This demonstrates the quality of the "In Pit" resources. The current global NI 43-101 Mineral Resource Estimate was announced on October 3, 2011 (see Champion's press release dated October 3, 2011). As the designed "In Pit" resources of the Fire Lake North Project are now 921.8 million tonnes, the recommendation in the PEA is to evaluate the option of increasing the production rate by adding a second production line in the concentrator. This will be included in the scope of the 2012 Feasibility Study.

The PEA study is based on a stand-alone operation at Fire Lake North and does not consider any other adjacent projects in the area. The resource definition drilling program has been initiated and is designed to convert the majority of the current resources to the Measured and Indicated categories for the 2012 Feasibility Study for both production rate scenarios, i.e., associated to one or two concentrator production lines.

Results from the PEA indicate Fire Lake North to be a viable and economically robust project for the Base Case production scenario. Further evaluation of options to reduce costs and increase concentrate production could significantly enhance the project economics. The additional capital required to increase production with the addition of a second production line would be significantly less than the capital expenditures for this first production line. Other options will be evaluated during the course of the Feasibility Study with a focus on cost reduction. Ongoing discussions with strategic partners and stakeholders to evaluate various rail transportation options are being studied.

The PEA has been developed with a higher degree of detail than normally required, which facilitated the transition into the Feasibility Study phase.

On June 21, 2012, the Company announced the completion of the Phase 1 Feasibility Definition Drilling Program at Fire Lake North. Over 22,000 m of definition drilling has been completed since early January 2012 in the East and West pit areas. The 2012 drilling was focused within the proposed designed pit limits as outlined in the PEA. Three additional, widely spaced step-out drill holes are in-progress in the West pit area, and two additional holes are planned for the East pit area to help determine both the extents of mineralization beyond the current resource (and PEA designed pit limits), plus the number of additional holes that may be required to further delineate this potential resource in a second phase of Feasibility drilling.

The Company anticipates completing the Feasibility Study by the third quarter of 2012.

Harvey-Tuttle (NI 43-101 Inferred Mineral Resource of 947 million tonnes; grade 23.2% Total Iron at 15% cutoff)

On February 28, 2011, the Company announced the results of an initial NI 43-101-compliant Mineral Resource Estimate for the Harvey-Tuttle Project. The Total Inferred Mineral Resources at Harvey-Tuttle are estimated at 717 million tonnes grading 25.0% Total Iron at a 20% cut-off and 947 million tonnes grading 23.2% Total Iron at a 15% cut-off, the same cut-off used for the Fire Lake North PEA.

The Company has deferred the second phase of diamond drilling at Harvey-Tuttle when 12,500m of drilling originally budgeted for Harvey-Tuttle was redirected to the Fire Lake North Project to meet additional higher priority drilling requirements. Further drilling and the initiation of a PEA at Harvey Tuttle has been deferred in order to better allocate available capital resources on the Company's higher priority projects in both Clusters 1 and 2.

O'Keefe-Purdy

The O'Keefe-Purdy Project is located adjacent to the Harvey-Tuttle Project and to date the Company has completed 6,064 m of drilling in 23 holes at the project. Results for the first fifteen drill holes were announced by the Company on November 30, 2011. Select composite assay results for the remaining unreported eight holes completed at O'Keefe Purdy were announced on April 17, 2012. The O'Keefe Purdy Project's 215 claims cover approximately 19 kilometres of cumulative strike length of magnetic anomaly which is interpreted to define tightly folded specularite, specular hematite and magnetite iron formation. The drilling program was focused mainly on the areas around the three chronicled mineral showings on the project; namely Lac O'Keefe Nord-Est (COGITE # 23B/12-006), Lac O'Keefe Nord-Ouest (COGITE # 23B/12-0003) and Lac Purdy (COGITE # 23B/12-0008) (see http://sigeom.mrnf.gouv.qc.ca/ for COGITE references). No drilling was completed in the eastern part of the property.

Champion will defer a Mineral Resource Estimate for the O'Keefe Purdy Project until additional suggested drilling more thoroughly establishes the full extent of iron mineralization underlying the property.

Oil Can Project

The assay results of the first three drill holes from the exploration program at the Company's Oil Can Project were announced on October 20, 2011. Drill hole OC11-01 intersected 190.0 m grading 30.6% Total Iron, OC11-02 returned 401.5 m grading 30.7% Total Iron including 213.5 m grading 33.1% and OC11-03 intersected 224.0 m grading 28.1% Total Iron including 140 m grading 30.0% Total Iron.

On December 13, 2011, the Company announced that it continues to drill long intersections of high-grade iron formation at the Oil Can Project. Reported results included drill hole OC11-08 which intersected 545.7 m grading 33.7% Total Iron including 442.3 m grading 36.4% Total Iron, while OC11-05 intersected 303.4 m grading 34.7% Total Iron.

Further significantly long intersections of high-grade iron formation were announced when the results of ten additional drill holes were reported January 23, 2012. Drill hole OC11-04 intersected 328.8 m grading 31.4% Total Iron, including 111.1 m grading 32.8% Total Iron. Drill hole OC11-10 intersected 472.2 m grading 28.0% Total iron, including 119.6 m grading 35.2% Total Iron. Drill hole OC11-11 intersected 573 m grading 26.6 % Total Iron, including 155.2 m grading 32.5% Total Iron while OC11-16 intersected 311.4 m grading 27.6% Total Iron, including 269.0 m grading 29.2% Total Iron. Results from the two remaining holes, OC11-09 and OC11-19 were announced April 17, 2012 and included notable intervals of high grade iron formation including 246.8 m grading 26.9% Total Iron, and 154.2 m grading 31.2% Total Iron, respectively.

The Company completed 8,435 total metres of drilling in 19 holes between August 5 and December 11, 2011 at the Oil Can Project. Based on this, the Company expects to complete a NI 43-101 Mineral Resource Estimate in the third quarter of calendar year 2012. It is significant to note that a prospective resource at the Oil Can Project is located only seven kilometres from the proposed location of the Company's Fire Lake North Mine and Concentrator Complex. The long intersections from the drill holes at Oil Can are promising and could lead to the delineation of a large tonnage of magnetite-hematite iron resources.

Further Cluster 2 exploration

Drill rigs were deployed to the Midway Project where a Phase 1 diamond-drilling program completed 1,100 m of drilling for which assay results were insufficient to warrant further exploration at this time due to the presence of higher priority targets and projects in the Cluster 2 area. Additionally, at the Bellechasse Project, one large land-based drill rig completed 2 holes totalling 900 m beneath the lake at the SE end of the deposit, required to better delineate the existing Inferred Resource. The results confirmed the Inferred Resource in this particular area of the Bellechasse Project.

All drill core logging and sample preparation was conducted by qualified Company personnel under NI 43-101 standards at the Company's core logging facilities in Wabush (Newfoundland & Labrador) and at the Company's field exploration camps, located south of Fermont (Quebec). The NQ and HQ-sized drill core was split in half. One-half of the NQ or HQ-sized drill core was kept in the core tray for reference purposes and the other half core was individually bagged, tagged, sealed and packed in large nylon bags which were then securely closed and sent by commercial ground transportation for sample preparation at ALS Chemex Laboratories in Val d'Or (Quebec) or Sudbury (Ontario). Analysis of the core pulp samples was conducted at ALS Chemex Laboratories' Vancouver (British Columbia) laboratory facility. Quality Control samples including standards of certified reference material, field duplicates and blank samples were routinely inserted in sample batches including duplicate pulp and coarse reject samples prepared and assayed to further monitor results. ALS Chemex also inserted blank samples, standards and duplicates for Quality Control purposes.

Cluster 3

The Company currently remains dedicated to exploring the Cluster 1 and Cluster 2 areas of its Fermont Holdings. There are no NI 43-101 compliant Mineral Resources in Cluster 3 and the Company is currently evaluating its strategy on how to maximize their value.

Exclusive Memorandum of Understanding with Takuaikan Uashat Mak Mani-Utenam Innus First Nation

On April 2, 2012, the Company announced that it entered into a memorandum of understanding with the Takuaikan Uashat Mak Mani-Utenam Innu First Nation ("ITUM") of Uashat, Québec, located near the Port of Sept-Îles.

The memorandum of understanding confirms that ITUM has agreed to enter into exclusive discussions with the Company in connection with the potential development of an entirely new multi-user railway and the potential creation of a partnership, the equity of which would be opened to other users, in order to design, build and manage this new railway. The objective of this new railway would be to service the iron ore industry directly linking the Fire Lake North region to the planned multi-user Port Facility at Pointe Noire, in Sept-Îles, Québec. The participation of ITUM in this railway project is conditional upon, among other things, the negotiation of definitive agreements between the Company and ITUM.

Attikamagen (Taconite-bearing Sokoman Iron Formation)

The Company owns a 44% (previously 100%) interest in 938 claims comprising 310.7 square kilometres extending over a 56 kilometre strike length in Labrador and Quebec, including 52 claims comprising the Attikamagen Lake Iron Property in western Labrador which are subject to an aggregate royalty of $1.50 per tonne of iron content in any and all iron ore, pellets or other products produced, which royalty the Company and its joint venture partner have an option to purchase for $2,500,000.

On May 12, 2008, the Company granted an option to Labec Century Iron Ore Inc. ("Labec"), now a subsidiary of Century Iron Mines Corporation, for Labec to earn up to a 60% interest in Attikamagen. In order to earn its interest, Labec must fund exploration expenditures as follows:

	Exploration expenditures $
To earn 51% interest	
March 26, 2009 (funded)	2,500,000
March 26, 2011 (funded)	2,500,000
March 26, 2012 (funded)	2,500,000
	7,500,000
To increase to 56% interest	
March 26, 2013 (funded)	2,500,000
To increase to 60% interest	
March 26, 2014	3,000,000
	13,000,000

Labec is solely responsible for funding the exploration program at Attikamagen until such time that it elects to complete its option to earn a 51%, 56% or 60% interest, at which time the Company and Labec will be responsible for funding their respective proportionate shares of future exploration and developments costs. On February 7, 2012, Labec earned a 51% interest in Attikamagen and on May 15, 2012, Labec earned an additional 5% interest in Attikamagen, increasing its interest in Attikamagen to 56%.

On July 6, 2011, Labec reported that results of reverse circulation drilling completed at the Joyce Lake area of the Attikamagen property, which included drill hole JOY-11-06 which intersected 139.0 m grading 52.8% Total Iron and drill hole JOY-11-07 which intersected 91.0 m grading 52.5% Total Iron, including 42.0 m grading 65.3% Total Iron. Additionally, Labec reported that the 2011 diamond-drilling program at the Hayot Lake area corroborates results of its 2010 drilling program, which intersected a taconite iron occurrence. Drill hole HAY-11-10 intersected 108.2 m grading 33.2% Total Iron. Previously, drill hole HAY-10-06 intersected 92.6 m grading 31.6% Total Iron. Drilling is ongoing and further results will be released when available.

On December 8, 2011, Labec reported a second group of assay results from its 2011 exploration program at Attikamagen. A total of 10,884 metres of combined diamond and reverse circulation drilling was completed during the 2011 drilling program, from April 8 to October 30, 2011. Labec further reported that it is preparing for the next phase of drilling, which is expected to resume in 2012 on the Joyce Lake area of the Attikamagen Property.

Powderhorn and Gullbridge (Base Metals)

Powderhorn

The Company owns a 70% interest in the Powderhorn Lake Project (“Powderhorn”), a base metals project, which consists of 115 claims covering an area of 29 square kilometres situated in the Buchans-Robert's Arm Belt in Central Newfoundland. Powderhorn is 40 km northeast of, and on strike with, the Buchans Mine Volcanogenic Massive Sulphide deposits which produced 16.2 million tonnes from 5 ore bodies with average mill head grades of 14.5% Zn, 7.6% Pb, 1.3% Cu, 126 g/t Ag and 1.4 g/t Au (source: J.G. Thurlow, 1990). The Company’s 70% interest is subject to a joint venture agreement with the vendor which holds the remaining 30% interest.

Powderhorn is encumbered with a 2.85% net smelter royalty (“NSR”), of which 1.85% can be purchased by the joint venture participants for $2,300,000 to reduce the NSR to 1.0%.

Gullbridge

The Company owns a 51% interest in the Gullbridge Property in the Buchans Mining Camp, Newfoundland, adjacent and to the southeast of Powderhorn. In order to earn its interest in this base metals project, the Company made option payments, issued common shares and incurred exploration expenditures as follows:

	Option payments	**Common shares**		**Exploration expenditures**
	$	**Number**	**$**	**$**
To earn 51% interest				
On closing	10,000	50,000	28,500	–
May 5, 2009	10,000	100,000	33,000	200,000
March 23, 2010	–	75,000	76,500	–
May 5, 2011	10,000	75,000	126,000	200,000
May 5, 2012	–	–	–	400,000
	30,000	300,000	264,000	800,000

In lieu of the remaining $154,000 of exploration expenditures that were to have been incurred by May 5, 2012, the Company agreed to issue 50,000 common shares with a fair value of $69,000 to earn a 51% interest in Gullbridge.The Company has the option to increase its ownership up to an 85% interest in Gullbridge. In order to increase its interest in Gullbridge, the Company must issue common shares and incurred exploration expenditures as follows:

	Common shares	**Exploration expenditures**
		$
To increase to 75% interest		
May 1, 2014	150,000	700,000
To increase to 85% interest	–	All necessary expenditures up to the completion of a positive bankable feasibility study

In 2011, Fugro Airborne Surveys completed 778 line-kilometres of FugroHelitem deep penetrating airborne electromagnetic and magnetic surveying over the Powderhorn and Gullbridge properties. In addition, Quantec Geoscience Ltd. completed seven lines of Titan-24 DC-IP deep-penetrating geophysical ground surveying totaling 23.4 line-kilometres to further investigate 5 prospective target areas identified from 2010 gravity surveys. In November 2011, Abitibi Geophysics (Val D’Or, QC) completed a compilation of all geophysical data acquired for the Powderhorn and Gullbridge projects.

The Titan IP survey detected chargeability and low-resistivity anomalies over Gravity Targets 1 and 4 with depth to top estimated at 400 metres. EM features were also detected over both targets, but appear to be more related to relatively shallow features.

The follow-up work has further indicated prospectivity for blind VMS deposits below the sediment covered basin between the Powderhorn prospect and the historic Gullbridge mine.

Drilling of Gravity Targets 1 and 4 and deepening an existing hole at Gravity Target 3 have been recommended. The program would involve between 3000 and 5000 metres of diamond drilling.

Risks and Uncertainties

The Company is exposed to financing risk as it is not in commercial production on any of its mineral resource properties and, accordingly, has no revenues. The Company finances its operations by raising capital in the equity markets. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future, particularly in light of the volatility and uncertainties associated with current financial equity markets.

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licences.

The Company is exposed to commodity price risk with respect to iron ore prices. A significant decline in metal commodity prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource properties.

Selected Annual Information

	Years ended March 31		
	2012	**2011**	**2010**
Revenue	447,981	113,546l	Nil
Loss			
Total	8,850,353	8,471,812	1,561,365
Per share-basic and fully-diluted	0.10	0.14	0.06
Total assets	109,665,535	71,367,713	14,426,767

The loss for the year ended March 31, 2012 was comparable to 2011, but the loss per share-basic and fully-diluted declined in the current year as the weighted-average number of shares increased to 87,639,526 from 62,460,459 as a result of a public offering and the exercise of warrants and stock options.

The loss for the year ended March 31, 2011 increased compared 2010, which reflected the increased exploration and financing activities, an increase in consulting fees to management and bonuses paid to management, directors and consultants; an increase in stock-based compensation represents the fair value of stock options granted; an increase in investor relations and travel expenses reflecting the costs to expand its shareholder base both domestically and internationally in the United States and Europe.

Results of Operations

	3 months ended March 31,		Years ended March 31,	
	2012	**2011**	**2012**	**2011**
	$	**$**	**$**	**$**
Expenses				
Professional fees	174,287	62,266	372,006	198,300
Consulting fees	1,413,228	830,000	2,021,381	1,297,000
Stock-based compensation	-	433,000	4,314,000	5,313,000
General and administrative	406,824	150,672	944,562	563,819
Investor relations	317,442	377,348	1,121,455	1,263,717
Travel	124,293	74,838	524,930	376,230
Part XII.6 tax	-	6,705	-	542
Interest	(35,337)	(107,697)	(284,556)	(113,546)
Other income	-	-	(163,425)	-
	2,400,738	1,827,132	8,850,353	8,899,062
Loss before income taxes	(2,400,738)	(1,827,132)	(8,850,353)	(8,899,062)
Deferred income tax recovery	-	427,250	-	427,250
Loss and comprehensive loss	(2,400,738)	(1,399,882)	(8,850,353)	(8,471,812)

Years ended March 31
The increase in professional fees, consulting fees and general and administrative expenses reflects the increased exploration and financing activities of the Company. The increase in consulting fees also reflects increases in compensation to management.

3 months ended March 31
The increase in professional fees, consulting fees and general and administrative expenses reflects the increased exploration and financing activities of the Company. The increase in consulting fees also reflects increases in compensation to management. The increase in stock-based compensation represents the fair value of stock options granted.

Summary of Quarterly Results

	Q1 2011 $ IFRS	**Q2 2011 $** IFRS	**Q3 2011 $** IFRS	**Q4 2011 $** IFRS	**Q1 2012 $** IFRS	**Q2 2012 $** IFRS	**Q3 2012 $** IFRS	**Q4 2012 $** IFRS
Revenue	5,849	Nil	Nil	107,697	134,109	64,339	214,196	35,337
Loss								
- Total	523,981	2,487,572	4,060,374	1,399,885	843,197	3,425,233)	2,181,183)	2,400,740
- Per share	0.01	0.04	0.06	0.02	0.01	0.04	0.02	0.02

Variations in total loss from quarter to quarter is primarily a result of stock-based compensation.

Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral resource properties and, accordingly, the Company has no revenues, other than relatively small amount of interest earned on its cash balances. The Company finances its operations by raising capital in the equity markets.

The Company's monthly "burn rate" (excluding discretionary investor relations and travel expenses) is approximately $300,000.

As at March 31, 2012, the Company had working capital of $39,748,915, which included cash and cash equivalents of $41,401,828. While the Company has sufficient funds to meet its current commitments, the Company will require additional funding to fund its operations and the exploration of its mineral resource properties. During the year, the Company will seek to raise the necessary capital to meet its future funding requirements. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available.

Related Party Transactions

	Year ended March 31, 2012 $	Outstanding as at March 31, 2012 $
Exploration and evaluation, geological consulting services		
Alex Horvath, Executive Vice President, Exploration and a director, and A.S. Horvath Engineering Inc., a company controlled by him	44,000	-
MRB & Associates, a company controlled by Martin Bourgoin, Executive Vice President, Operations	5,936,071	589,445
Jeff Hussey & Associates Inc., a company controlled by Jeff Hussey, Vice President, Development	210,000	20,000
Common shares		
Sheldon Huxtable Professional Corporation, a law firm controlled by Donald A. Sheldon, a director	250,200	66,414
Consulting fees		
847785 Ontario Ltd., a company controlled by Thomas G. Larsen, for his services as President and Chief Executive Officer	604,000	-
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	301,000	145,000
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	301,000	145,000
MRI Advisory AG, a company controlled by Ashwath Mehra, a director	80,000	20,000
Decamine Inc., a company controlled by Jean Depatie, a director	65,000	20,000
5 directors	135,000	135,000
Serge Depatie, a member of a director's family	50,000	5,748
Legal fees		
Sheldon Huxtable Professional Corporation, a law firm controlled by Donald A. Sheldon, a director	232,224	234,224

International Financial Reporting Standards ("IFRS")

In previous years, the Company prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company adopted IFRS effective April 1, 2011 and the Company's consolidated financial statements for the years ended March 31, 2012 and 2011 and consolidated statement of financial position as at April 1, 2010 have been prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards.*

The audited consolidated financial statements set out significant accounting policies in accordance with IFRS in Note 3 and reconciliations between Canadian GAAP and IFRS in note 11. The following paragraphs provide summary of the impact of the transition from Canadian GAAP to IFRS.

First-time adoption exemptions applied

IFRS 1 allows first-time adopters certain exemptions from retrospective application of certain IFRS. The Company has applied the following optional exemptions to full retrospective application of IFRS and has made the following adjustments to transition from Canadian GAAP to IFRS:

Historical cost as deemed cost

IFRS 1 allows a choice to measure exploration and evaluation at its fair value at the date of transition or at historical cost determined under Canadian GAAP. The Company elected to measure exploration and evaluation at the historical cost determined under Canadian GAAP as at April 1, 2010, which the Company believes did not include any material costs which were incurred prior to securing the legal rights to explore the properties. The Company has elected to continue to capitalize exploration and evaluation costs.

Business Combinations

IFRS 1 allows for IFRS 3, *Business Combinations*, to be applied retrospectively or prospectively. The Company elected to adopt IFRS 3 prospectively to business combinations subsequent to the date of transition. Accordingly, all business combinations after April 1, 2010 will be accounted for in accordance with IFRS 3.

Share-based payment transactions
IFRS 1 allows that full retrospective application may not apply to certain share-based instruments depending on the grant date and vesting terms. The Company has elected to not apply IFRS 2 to share-based payments granted after November 7, 2002 that vested before the date of transition to IFRS. Accordingly, the Company has applied IFRS 2 only to unvested stock options outstanding as at April 1, 2010.

Impact of the transition from Canadian GAAP to IFRS

Flow-through shares
Under Canadian GAAP, the proceeds on the issue of flow-through shares were recognized in equity, net of the tax effects of renunciation. Under IFRS, the issue of flow-through shares is treated as an issue of shares and the sale of tax deductions. The Company uses the residual method to measure the sale of tax deductions. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liabilities on the statement of financial position. When the Company fulfills its obligation to pass on the tax deduction to the investors, the sale of tax deductions is recognized as a reduction of deferred tax expense in the statement of loss and comprehensive loss and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Other considerations of the transition from Canadian GAAP to IFRS

Internal control
The transition from Canadian GAAP to IFRS did not have a significant impact on internal controls.

Information technology and systems
The primary information technology and systems impact of the conversion to IFRS is on the Company's consolidation system used to prepare its consolidated financial statements where the Company has implemented the changes necessary to collect and consolidate the information required to complete the consolidation in accordance with IFRS.

Business activities
The transition from Canadian GAAP to IFRS did not impact any employee compensation plans or key ratios and the Company does not have any debt covenants.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for periods beginning on or after January 1, 2013.

IFRS 9, Financial Instruments ("IFRS 9")
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments - Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 10, Consolidation ("IFRS 10")
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11, Joint Arrangements ("IFRS 11")
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13, Fair Value Measurement ("IFRS 13")
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards
In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10-13.

Effect of new standards
IFRS 9, IFRS 10, IFRS 11 and IFRS 12 are expected to have an effect on the consolidated financial statements of the Company. The Company has not determined the extent of the impact these standards and does not plan to early adopt these new standards.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Impairment of exploration and evaluation
Expenditures on exploration and evaluation are initially capitalized with the intent to establish commercially viable reserves. The Company makes estimates about future events and circumstances in determining whether the carrying amount of exploration and evaluation exceeds its recoverable amount.

Estimates of mineral resources
The amounts used in impairment calculations are based on estimates of mineral resources. Resource estimates are based on engineering data, estimated future prices, expected future rates of production and the timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. The Company expects that, over time, its resource estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels, and may be affected by changes in commodity prices.

Deferred income taxes
Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Share-based compensation
The Company uses the Black-Scholes option pricing model in determining share-based compensation, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility. Consequently, the actual share-based compensation expense may vary from the amount estimated.

Financial instruments and risk management

Fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash and cash equivalents, short-term investments, receivables, due from Northfield Metals Inc., accounts payable and accrued liabilities and note payable
The fair values of cash and cash equivalents, short-term investments, receivables, due from Northfield Metals Inc., accounts payable and accrued liabilities and note payable are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At March 31, 2012, March 31, 2011 and April 1, 2010, the fair value of these balances approximated their carrying value due to their short term to maturity.

Stock options
The fair value of stock options is measured using a Black-Scholes option pricing model. Measurement inputs include share price on grant date, exercise price, expected volatility (based on historical volatility of securities of comparable companies), weighted average expected life and forfeiture rate (both based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data

The carrying value of cash and cash equivalents, due from Northfield and accounts payable and accrued liabilities approximate fair value due to their short-term nature.

Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

Set out below is information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances and receivables. The maximum exposure to credit risk is equal to the balances of cash and cash equivalents, short-term investments and amount due from joint venture partner.

The Company limits its exposure to credit risk on its cash and cash equivalents by holding its cash and cash equivalents in deposits with a high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. The amounts for accounts payable and accrued liabilities are due in less than one year, subject to normal trade terms.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management
Capital of the Company consists of share capital, warrants, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Controls and Procedures

The Chief Executive Officer and Chief Financial Officer have designed disclosure controls and procedures ("DC&P") to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company, particularly during the period in which the interim filings are being prepared. The Chief Executive Officer and Chief Financial Officer have also designed internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements in accordance with Canadian generally accepted accounting principles.

The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's DC&P and ICFR and concluded that they are ineffective due to the weakness discussed below. As the Company has a limited number of personnel, management has concluded that a weakness exists in the design of internal controls over financial reporting caused by a lack of adequate segregation of duties. This weakness has the potential to result in material misstatements in the Company's financial statements and should also be considered a weakness in its disclosure controls and procedures. Management has concluded that, taking into account the present stage of the Company's development and the best interests of its shareholders, the Company does not have sufficient size and scale to warrant the hiring of additional personnel to correct this weakness at this time. To help mitigate the impact of this weakness and to ensure quality financial reporting, there are additional supervisory controls exercised by management and audit committee oversight.

Shares Outstanding at June 29, 2012

Shares
Authorized:
Unlimited number of common shares.

Outstanding:
119,286,465 common shares.

Warrants
Outstanding:

Common share warrant exercise price	Expiry date	Warrants outstanding
$1.20 until October 7, 2012, and thereafter, $1.50	October 7, 2013	2,222,222
$2.84	February 3, 2013	792,000
$3.00	May 17, 2015	7,000,000
		10,014,222

The 7,000,000 common share purchase warrants entitling Fancamp to purchase one common share for $3.00 can be exercised only between November 17, 2014 and May 17, 2015. If the weighted-average closing price of the common shares is over $4.00 for 20 consecutive trading days, the warrants must be exercised within 30 calendar days of the Company providing written notice, or they will be cancelled. In the event that Fancamp provides notice within 10 days of the receipt of the Company's notice that it does not have sufficient funds to exercise the Champion Warrants, the Company will advance a loan to Fancamp.

In the event that Fancamp is not able to obtain shareholder approval for a change in control in the event that the Company exercises the Fancamp Warrants, Fancamp has agreed that it will only exercise warrants equal to the number of Fancamp Warrants exercisable by the Company divided by 5.

Stock options
Authorized:

The Company has a fixed stock option plan under which the Company may grant up to 15,000,000 stock options. To date, the Company has granted 15,000,000 stock options, leaving no stock options available to be granted.

Outstanding:

Exercise price	Expiry date	Options outstanding
$0.45	January 10, 2013	775,000
$0.70	May 16, 2013	210,000
$0.30	September 16, 2014	1,145,000
$0.33	September 24, 2014	152,500
$0.405	November 9, 2014	50,000
$0.80	January 14, 2015	1,450,000
$0.85	February 2, 2015	300,000
$1.00	March 2, 2015	350,000
$1.15	October 1, 2013	70,000
$1.00	October 3, 2015	2,225,000
$1.00	October 4, 2015	250,000
$1.50	October 4, 2015	500,000
$1.00	October 24, 2015	100,000
$1.10	November 5, 2015	50,000
$2.17	January 10, 2016	150,000
$1.50	June 24, 2016	200,000
$1.50	September 9, 2016	2,200,000
$1.30	December 23, 2016	1,442,500
		11,620,000